

28/10/1998

Opportunities aplenty for those venturing into agriculture in Sabah

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MALAYSIA is endowed with abundant resources and the vast potential, if exploited for mass production, can help the Government cut the high food import bill.

Several schemes have already been established for the development of the food industry.

The RM1 billion Fund For Food (3F scheme) was introduced in 1993 following concern over the increasing food demand by the ever-growing population. The target of this scheme is the large and medium-sized projects.

Another major scheme launched by the Government early this year was the "Fund for Small and Medium Industries" with an allocation of RM1.5 billion.

Area manager of the Sabah branch of Bank Bumiputera Malaysia Berhad, Winston E. Jeyaprakash, said loans from the fund were available under the conventional mode of financing as well as Islamic-based financing.

All commercial banks are allowed to give loans under this fund.

The Government has been opening up all these opportunities for obvious reasons.

Dr Mohd Yaakub Johari, executive director of Sabah's think-tank, the Institute for Development Studies, told a seminar recently that Malaysia spent RM40 billion every year on importing food items.

"That was the amount of money spent on food items every year to fulfil 75 per cent of the nation's requirements," he said.

Last year RM11.4 billion worth of food was imported with beef, fish, vegetables and fruits high on the list. And these are the food items which can be produced in the country.

With the various schemes made available, the time has come for local entrepreneurs to play a more active role by venturing into the food industry.

Producing more food has also been highlighted by Prime Minister Datuk Seri Dr Mahathir Mohamad in a speech on "Malaysia: The Way Forward".

He was quoted as saying that "the nation must be able to provide enough food on the table so that not a solitary Malaysian is subjected to the travesty of undernourishment".

Mohd Yaakub said opportunities were aplenty for both the public and private sectors in Sabah to venture into agricultural development on a large scale to provide food security, boost food processing and obtain revenue from food exports.

The Industrial Development Ministry's permanent secretary Datuk Mohd Noor Mokhtar agrees with Yaakub.

Mohd Noor said the demand for food items in terms of quality and quantity had been increasing in tandem with the expanding population and growing affluence of the society in Malaysia in general and in Sabah in particular.

He said there was no doubt that the food industry was a strategic one to any country.

"In fact, food is the third largest item to be imported, in terms of value, after machinery and manufactured products."

Last year, Sabah imported RM1.27 billion worth of food - 10.7 per cent of the State's total import value. And the food import bill continues to rise.

The value of imports of livestock products, including live animals, into Sabah was RM113 million in 1993, RM130 million in 1994, RM57 million in 1995 and RM177 million in 1996.

Imports of marine and processed marine products were valued at RM24.7 million in 1993, RM29.2 million in 1994, RM33.4 million in 1995 and RM32.2 million in 1996.

Mohd Noor said Sabah's food industry had immense potential for development.

Not only is the food industry a strategic one but it also can help check the outflow of foreign exchange if there is greater domestic production.

"The opportunity to develop the food industry in Sabah is augmented because of the availability of land.

There are also vast opportunities for the development of food processing in Sabah.

The majority of the food processing companies produce mainly for the domestic market and are therefore already taking up the role in import substitution.

"But the production of food is still insufficient to meet the domestic demand."

The Industrial Development Ministry, through K.K.I.P Sdn Bhd, is encouraging the Malaysian Agricultural Research and Development Institute, or Mardi, to set up its branch in the Kota Kinabalu Industrial Park to form part of the industrial cluster.

An area of more than 40 hectares within the park has been designated to be developed as a food industrial cluster.

A polytechnic and the Industrial Training Institute will also be established within the park.

The park will discuss with these training institutions the possibility of including courses on food industry in their curriculum.

The ultimate objective is to be self-sufficient in food production and this can be achieved with co-operation of all concerned.

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